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RUEHBR/AMEMBASSY BRASILIA 0089  
RUEHBU/AMEMBASSY BUENOS AIRES 0086  
RUEHCV/AMEMBASSY CARACAS 0051  
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SUBJECT: Santiago Oct. 10-13 Media Report

Lead Story

¶1. Chile played Colombia in Medellin and won 4-2, therefore qualifying for the World Cup (All dailies, 10/11).

U.S.-Related News

¶2. After almost a month and a half of controversy over the "Salitre" exercise, the U.S. Embassy in Santiago commended the transparency in the organization of the exercise to avoid misunderstandings. "In preparing the exercise, military officers of our countries clarified the scenario to assure that all audiences clearly understood the nature of the event-- which is not offensive-- and to give greater transparency to neighbor countries in the region," said an embassy spokesperson. "The government of Chile has worked hard to promote goodwill," he added. Chilean defense sources said that U.S. Ambassador to Chile Paul Simons was one of the main supporters of modifying the hypothetical scenario of the exercise. Defense Minister Francisco Vidal admitted there had been talks among the Air Forces, but "never an official suggestion" from the USG to the Foreign Ministry to change the scenario. Foreign Minister Mariano Fernandez said that "If I had any information it is not for me to provide it to the public opinion." The initial scenario, and which upset Peru, involved a fictitious country in the north invading another in the south, prompting the intervention of a U.N. peace force. The new scenario is of a dictator on an island (Conservative, independent La Tercera, 10/10).

¶3. Chilean sources said the U.S. suggestion to change the scenario of the exercise was a result of Peru's complaints in Washington. Sources in Lima said that Foreign Minister Jose Garcia Belaunde and Defense Minister Rafael Rey conducted a strong lobby with the countries participating in "Salitre" to either cancel the exercise or modify the hypothetical scenario (Conservative, influential El Mercurio, 10/10).

¶4. The tension over "Salitre" has decreased since Chile

announced it would make a "minor technical adjustment" to the exercise. Political scientist Guillermo Holzmann says that Peru's stance on this matter has to do with its strategy to establish in the international community that Chile is preparing military and offensively. The end goal, he says, is to put pressure on the court of The Hague which has to rule on Peru's maritime claim against Chile (Government-owned, La Nacion, 10/13).

¶ 15. Columnist Hernan Felipe Errazuriz: "Chile and Peru seem unaware of the poor state of their relationship. ... As if they had no experience, both governments practice diplomacy through the press in a spiral of absurd bragging. The latest Peruvian complaint - and in which Chile got caught in - was a military exercise organized by the Air Force.... Due to Peru's incomprehensible complaint, the hypothetical location of the exercise was changed.... It is likely that more conflicts and incidents will occur, perhaps even coarser, since lately that has been the tone of the relationship .... Alan Garcia wrapped himself in the Peruvian flag some time ago to improve his declining popularity and to attract nationalists by portraying Chile in The Hague as an aggressor and usurper. But nothing will change if the foreign ministries of both countries to not carry out a professional and calm work to lead bilateral ties along a constructive path" (El Mercurio, 10/10).

¶ 16. President Bachelet congratulated President Obama on the Nobel Peace Prize: "I am truly content with this great award that President Obama has received as a great leader in the fight for peace... This is a new opportunity to state new challenges. It is also a call on all international political actors to make that goodwill come true" (El Mercurio, 10/10).

¶ 17. Craig Kelly, former U.S. Ambassador to Chile and current Deputy Assistant Secretary of State, met recently in Santiago with the Eduardo Frei and Sebastian Pinera's presidential campaign heads Rodrigo Hinzpeter, Cristina Bitar, Enrique Correa and Belisario Velasco to talk about the presidential race and the political situation in Latin America, among other topics (La Tercera, 10/11).

¶ 18. Hispanic organizations The Cuban-American National Foundation, The National Race Council, and the Latin American United Cities League urged the Senate to confirm Arturo Valenzuela as Assistant Secretary for Latin American stating that the delay in his confirmation is hurting Washington's policy in Latin America (El Mercurio, 10/10).

¶ 19. Secretary Clinton's spokesperson Philip Crowley assured that the Obama administration and the Secretary of State stand strongly behind Arturo Valenzuela's nomination (El Mercurio, 10/11).

¶ 10. Minister Laura Albornoz, head of Chile's National Women's Service, met with Secretary of State Hillary Clinton and other U.S. officials at the opening of the Women's Entrepreneurial Leaders Conference in Washington as president of the OAS Inter-American Women's Commission (Government-owned La Nacion, 10/12).

¶ 11. Minister Laura Albornoz met in Washington with Tina Tchen, White House Council on Women and Girls; Melanne Verveer, responsible for women's issues in the Department of State, and Lynn Rosenthal, White House advisor on the same issue, to discuss logistics about women's centers and trafficking in women in Latin America (El Mercurio, 10/10).

¶12. A team of NASA scientists will arrive in Punta Arenas tomorrow to launch Operation Ice Bridge, a six-week project to measure and study the ice sheets over Antarctica and the effects of the increase in sea level (Popular leading circulation Las Ultimas Noticias, 10/11).

#### Indigenous Affairs

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¶13. Yesterday night at 10:30 p.m., hooded individuals attacked a toll booth, burned a truck, and fired at five vehicles including a police car on the international Ruta 5 highway in the Ninth Region in Victoria. The truck driver and his assistant said they had encountered a barricade on the road and had phoned the police when a group of individuals held them at gunpoint, threatening to kill them. Just a few kilometers from Victoria earlier in the evening Giselle Martinez was driving her car with her 13-year old daughter. She saw a barricade ahead and started to turn back. Hooded individuals fired at her car, stopped two other vehicles and tried to rob them. No one was injured. At about 2 a.m. another group of

15 individuals also armed fired at the toll booth just two kilometers from the highway. The toll operator ran and hid as the individuals destroyed the booth and spray painted, "This is Mapuche territory." The incidents occur just two days after the government announced it would complete land acquisitions to satisfy the demands of 115 Mapuche communities (El Mercurio, 10/10).

#### Local Politics

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¶14. Results of a telephone poll conducted by "La Tercera" in cities of more than 20,000 inhabitants: Pinera leads with 39%, Marco Enriquez Ominami 24%, and Frei 20%. In a runoff between the following candidates: Pinera 48% and Frei 39%; Pinera 44% (5 less than in July) and M. Enriquez 43%, which is 21 % more than in July (La Tercera, 10/10).  
SIMONS